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AUTHOR Egelston, Richard L.
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ABSTRACT

This paper reports on an evaluation of implementation strategies of the Education Consolidation and Improvement Act (ECIA), Chapter 2 in New York State. It documents the origin of the state plan and how New York State education agencies coordinated their efforts to distribute ECIA local assistance and competitive grant monies to school districts based on broad federal guidelines and New York State Regents' priorities governing such disbursements. The conclusion that ECIA Chapter 2 has proved to be a valued and stable program may be compromised if the program's viability is diluted by a reduction in funding when reauthorizing legislation comes up before Congress in 1987. (JAM)

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Implementation Strategies of ECIA Chapter 2 In Three States: A Comparison of Policies and Practices at the State Level

THE NEW YORK STATE EXPERIENCE

by

Egelston, Richard L.
New York State Education Department

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New York State Education Department

New York's approach to implementing Chapter 2 incorporated the desire to distribute funds in an equitable manner among the local educational agencies (LEA's) with the least disruption possible of services previously funded by the antecedent programs. However, SED officials stressed that planning for Chapter 2 was integral to the State's overall planning process for education, rather than a program in isolation from other funding sources in education. Thus, initial plans for Chapter 2 were discussed with the general public, even before the State Advisory Council was formed.

In order to obtain input from the public and various educational interest groups in the early stages, the block grant was a major topic of discussion at regional conferences in the fall of 1981. (Regional conferences are annual conferences in ten of the eleven judicial districts in which the public and representatives from the schools are informed about current proposals for initiating change in regulations etc. by SED, and are encouraged to participate in discussions for the purpose of providing feedback to SED. This feedback is actively solicited, and has been used to formulate and modify recommendations submitted to the Board of Regents since 1977.) These conferences sensitized school officials to the new grant program, and to new requirements in the planning process. In addition, a statewide teleconference and a series of 50 grant writing workshops were held to provide additional awareness and technical assistance to districts.

Late in the fall of 1981 the State Advisory Council was being formed by the Governor who accepted recommendations from the State Education Department and other interested organizations. On December 11, 1981, a total of 40 members representing all of the statutory groups and the most active special interest groups for education were appointed. The role of the State Advisory Committee was to advise SED on the distribution formula, the use of state set-aside funds, and the planning, development, support, implementation, and evaluation of State programs aided by Chapter 2.

Coordination of activities between SAC and the Department was assigned to the Office for Policy Analysis, at the direction of the Executive Deputy Commissioner, the second ranking member of the Department. Several units within the Department were asked to prepare preliminary proposals for how the Chapter 2 program should be managed and funds allocated to public school districts and to programs within the Department (set-aside funds). These proposals were then collected by the Office for Policy Analysis, shaped into a draft of a state plan, and

forwarded to the Executive Council where initial recommendations were made to the Commissioner for SED management of the program.

The draft State Plan was made available to the general public on January 15, 1982. Two thousand six hundred copies of the Plan were mailed to local school districts, nonpublic school administrators and many statewide educational organizations. Notices were published in newspapers that copies of the Plan were available. A public hearing was held, and a report written concerning the oral and written testimony and presented to SAC for consideration in developing the next draft of the State Plan (NYSED, 1982, p. 13).

While the various units within the Department were developing their management proposals, SAC discussed the elements of the allocation formula, and directed SED to create a formula which contained a save-harmless provision. Since the Act did not specify how the high-cost factors were to be included in the formula, the resulting decision was made to base the Chapter 2 formula on the state aid formula which carried many of the same elements. The formula which was developed was complex, and included locally developed definitions for elements included in the statute. Aid was distributed among the local education agencies according to the relative enrollments in public and nonpublic schools adjusted to provide higher per-pupil allocations to those agencies with higher than average costs per child by distributing 80% of the funds adjusted by the use of weightings for Pupils with Special Education Needs, limited English Proficiency, handicapping conditions, and for sparcity; and equalized aid based on a school district's full real property valuation per weighted pupil in public and private schools; and 8% of the funds adjusted for factors related to unique concentrations and combinations of high costs of programs designed to achieve the purposes of Chapter 2, including but not limited to programs for overcoming racial isolation and poverty. The remaining 20% of the funds were to be distributed according to a save harmless provision based upon receipt of antecedent program funds (NYSED, 1982, pp. 4-6). It was also decided that the allocation to a school district would be based upon the number of students who were residents of the district, but that the funds did not have to be spent upon the particular children who generated the funds. (Students who were in campus schools, residential schools for handicapping conditions, and schools for delinquent youth were counted in the district of residence of their parents or guardians. Consequently these schools were not given allocations.)

The committee met on January 20, 1982 to initially review a draft of the State Plan and met again on February 10-11, 1982 to review the Plan in depth. Committee recommendations for modifying the draft were incorporated into the Plan. Following a public hearing on March 4, 1982, the committee met on March 11,

to offer final recommendations and comments on the State Plan. Both the Plan and the formula received the unanimous support of SAC (NYSED, 1982, p. 3). The State Plan was sent to the Department of Education (USDE) for approval. However, the formula was not approved by USDE since the save-harmless provision used an "old" method of distribution for "new" funds. The SAC, SED and USDE cooperatively restructured the formula to achieve the same end, and the new plan was approved by USDE. The new formula reserved 8% of the entitlement funds to be distributed to LEAs formerly receiving ESAA funds for desegregation. The state plan indicated the 8% would be reduced to 6% and 4% in the two succeeding years (NYSED, 1983, p. 5).

Another decision concerned the year of the data base upon which the allocations were to be created. Data have been collected routinely in the fall, but processing and verification time prevent its use until the following year. Consequently, data are more than one year old when allocations are generated for schools. This has resulted in a decision to require schools to operate for the two years immediately prior to receiving an allocation. Many nonpublic schools close or move during the intervening time and their students lose an opportunity to participate in the program, due to using an "old" data base.

When the approximate size of the state grant became known, preliminary computer runs were made providing a listing of the allocations for each eligible public and nonpublic school. It became apparent that several school districts and many nonpublic school allocations were very small. Discussion ensued concerning the viability of establishing a lower limit for grants. It was felt that minimum grant sizes would not meet the spirit or letter of the law, even though the grant size was hardly worth the effort of completing the application. (Some public school allocations were less than $50.00.) Justification for allowing the minimum grant for public schools would be difficult to maintain if the same argument were applied to nonpublic schools.

Allocations for services to nonpublic school students within a public school district were determined from the public school district. The high cost factors were applied to the public school students, and the nonpublic school was assumed to have the same profile of high cost students. Thus, equitability of service was considered to be satisfied with the same "average" allocation for a student in either school. While some of the factors in the State-aid formula would hold for students in nonpublic schools, others do not, and the net result is that nonpublic students fare slightly better than public school students. The nonpublic school students in those districts where the magnet school funds were applied received per pupil allocations much higher than nonpublic school students in other districts. These inequalities caused some questions to be raised

by nonpublic school representatives, but explanations reduced the concerns raised by these people.

Nonpublic school students who attended a school physically located in another public school district were counted in the district of their attendance. A provision for allowing nonpublic school principals to decline participation for the students in that nonpublic school was also enacted. The funds which were declined were reallocated among the remaining nonpublic schools and the public school.

An issue which developed during the first year of implementation was one which involved the selection of people to provide the services requested by the nonpublic schools. In most districts the nonpublic programs were planned by the staff of the nonpublic schools, and the public schools generally honored the requests. However, the public school was considered to be the owner of the equipment and materials purchased with Chapter 2 funds, and the employer of personnel who were hired to perform services for the nonpublic school students. State regulations over the expenditure of funds for public school students also applied to expenditures for nonpublic school students. While these constraints did not bother most nonpublic school officials, there were some problems which had to be smoothed out in the large cities. While the nonpublic schools had the right to determine the services needed, the public schools retained the right to determine who would provide those services. Thus, normal purchasing practices were followed (competitive bids, limited ordering times etc.).

The definition of an eligible local educational agency generated some discussion at the early stages of planning. Special Act schools were ruled out early, but Boards of Cooperative Educational Service (BOCES), the intermediate service agency, required more consideration. Eventually it was decided that consortia of schools could submit an application on behalf of the set of individual schools, and procedures were designed. BOCES were considered as consortia applicants, and several BOCES became consortia applicants on behalf of groups of nonpublic schools. In these cases, the public school submitted a grant application for its own services, but signed off funds for nonpublic services provided by BOCES.

But what would happen if public schools refused to submit for the services to nonpublic school students? Legally the nonpublics were entitled to be served, and a series of fall-back positions were developed. However, the question has yet to come up. Those public school districts which have chosen not to participate in ECIA Chapter 2 (due to small allocation sizes) have not had nonpublic schools within their boundaries.

Designing the application forms and the supporting documents

was assigned to the office which was to manage the local assistance grants. Exactly what was required in the grant application, and what was required as documentation to be maintained by the applicant district, but not submitted as a part of the grant application, were topics of lengthy discussion within SED. What information would be required in the Final Program Reports to the US Department of Education was critical in designing the application forms. A general suspicion prevailed that the Department of Education would ask for information that had not been collected directed a portion of the thinking. (For several grant programs in preceding years, program information had been requested which had not been indicated in authorizing legislation or in subsequent regulations issued by the Department of Education.) Thus, information which was anticipated to be useful was included on the application forms. In addition, a coding scheme for narrative information was developed (but never used) which could provide for rapid data entry and retrieval. Information concerning consultation with parents, teachers, and administrators was requested along with program descriptions, objectives, and evaluation plans. A reference index linking Chapter 2 programs described in LEA applications with antecedect programs was also developed.

Application forms and technical assistance materials were approved by the State Advisory Council before being distributed to LEA's. Preliminary allocations and copies of all application materials were mailed to LEA's during May of 1982 for planning purposes, but the final allocations were delayed until late in July following receipt of the grant award notification from the Federal government. The question of when school districts could begin spending grant money was not easily answered, but discussions between legal counsel, the program offices, and finance offices resulted in the decision to allow fiscal encumberances by LEAs to be made on the day the application was received in the program office. It had been correctly anticipated that a large backlog in reviewing and approving grant applications would develop, and to delay encumberances until the LEA received a grant approval letter would have unnecessarily delayed some programs several months, and completely destroyed others. Upon program approval, LEA budgets were sent to the finance office for fiscal approval, and check writing. When the budget was approved, 25% of the grant was sent to the district, and the remainder of the funds distributed upon completion of a series of requests. Unspent funds at the end of the year were allowed to be carried over for that district for use in the following year. The final 10% of their budget was withheld until the LEA filed a final expenditure Report, and the report was audited by the Division of Audit and Control.

Extended discussion concerning what would constitute minimally acceptable evaluation procedures for grant applications was held. The definition of evaluation, and what to do about

plans which were considered to be inadequate by the SED project officer was not uniformly accepted by project officers, and continues to be in debated. While technical assistance to LEA,s in designing evaluations was offered, and even encouraged, some LEA applications continue to be submitted with plans that the LEA calls evaluation, but which are not recognized as evaluation by the project officers, If an LEA refuses to change, then funding is not withheld, since the law allows the LEA discretion in designing its program. Thus, the defacto decision has become "whatever the LEA calls evaluation will be accepted as evaluation" developed as the fallback position for SED staff.

On-site technical assistance was anticipated for the first year for those districts experiencing difficulties in completing the application, but the type and degree of program and fiscal monitoring was left for resolution at a later date. Midway through the first year, it became apparent that time constraints would prevent very much on-site assistance, and almost no program or fiscal monitoring. Upon notification by the US Department of Education that on-site monitoring was to be conducted, SED objected. The Department of Education maintained that on-site visits were necessary, and that each program should be visited once every three years. The SED position was that resources were not available for that degree of monitoring, and the that the Department of Education did not have the authority to demand that level of involvement. Since one of the purposes of the legislation was to turn control of the program over to state and local authorities, the only monitoring necessary was compliance with regulations, and compliance could just as easily be monitored by telephone and by a review of the required application and annual program and fiscal forms. The US Department of Education indicated the a review of the application would not be monitoring, since monitoring could not begin until a project was funded. Discussions on this issue continued through the Federal monitoring visit of New York in the second year of the program. Two years of negotiation resulted in a compromise position that 60 (of 730) districts would have programs monitored each year, and that the monitoring would be done when monitoring was performed for Chapter 1 and would be performed by the same people. If an LEA was found not to be in compliance, a more detailed program audit would be done.

How to apportion the state set-aside funds was another decision area in which the State Advisory Council and the State Education Department held extended discussions. SED advanced proposals to the SAC which reviewed and commented upon them. SAC wanted a large portion of the state set-aside funds to be passed on to local school districts while SED wished to use the funds for departmental purposes. SED was able to convince SAC that provision of some statewide services to local districts to supplement what had been provided in recent years would be of benefit to local schools. However, SAC held out for using some

of the funds in local schools. Negotiations between SED and SAC resulted in a plan being approved by the Board of Regents in which seven program areas that had received funds under the antecedent programs would continue to be supported with Chapter 2 funds.

The State Plan for 1983-85 contains the following statement:

> Statewide programs and services funded under this provision will further the following purposes:
>
> First, state services will promote Regents priorities: 1) maintaining and improving the quality of educational programs; 2) extending educational services to populations with special needs; 3) serving out-of-school youth and unemployed young adults; 4) developing more equitable and efficient ways of financing education; and 5) increasing the public service contributions of education. . . Chapter 2 explicitly authorizes many activities which are consistent with Regents priorities.
>
> Second, programs will further . . . LEA performance under the ECIA. They will assist and support, not duplicate, local programs. The activities that the Department will undertake to meet its responsibilities will be the basis for the services to be provided to LEAs. By providing services essential to all school districts at the State level LEAs will have more flexibility in selecting programs to fund with their local Chapter 2 monies.
>
> Third, programs will be cost-effective. In an era of budgetary restraint, it is important to operate programs which yield high productivity. Programs that affect school children throughout the State should be provided on a statewide basis.

Approximately $3,590,000 (including $1,990,000 of carryover from antecedent programs) was available in 1982-83 for funding competitive grants in four program areas: (a) Effective Use of Library and other Learning Resources, (b) School Practice Improvement, (c) Training of Educational Professionals, and (d) Voluntary School Desegregation. Once the priority areas were identified, SED staff developed eleven different Requests for Proposals targeting on specific program objectives within the broad goals of the four program areas. Ten of the grant programs were administered jointly by the Local Assistance Administrative Office and the appropriate content bureau. Development of grant application forms and related materials proceeded in a similar manner as the local assistance applications. Procedures for grant review, selection, negotiation, and monitoring were

conducted as they had been under the antecedent programs. Few changes in grant administration were made. Program office staff made on-site visits and provided technical assistance more frequently than for the local assistance grants. Local nonpublic schools were invited to participate in the programs by the applicant agencies for the grants.

Annual and final program reports were designed for both local assistance grants and competitive grants, to provide a summary of Chapter 2 expenditures and participation in the Final Program Report for School Year 1982-83. Copies of the Report were reviewed by SAC prior to submission to the Department of Education. Information related to the three Subchapters of the local assistance program were aggregated across all LEAs. Planned and actual expenditures, participation rates of students and teachers were reported separately for public and nonpublic school programs for 32 content areas for the local assistance grants, and similar information was developed for each of the eleven competitive grant program areas. Since many of the antecedent programs shared some of the same purposes, the report did not contain an analysis of the Chapter 2 program in relation to the antecedent programs.

For the 1983-84 program year very few changes in policy and the State Plan were made. Minor changes were made in application forms and support material, and in the Requests for Proposals. The greatest change was a reduction from 3.59 million dollars to 2.13 million dollars available for grants, due to using up carryover funds.

An analysis of the reduction in paperwork was completed by the Office for Policy Analysis.

> The number of pages of guidelines and application forms have been tremendously reduced. Under the antecedent programs, it is estimated that there were 845 pages of guidelines and 190 pages of application materials which were disseminated each year to school districts. Under ECIA Chapter 2 during 1983-84, 10 pages of guidelines and 12 pages of application materials including budget and assurances materials were disseminated for all program purposes (NYSED, 1985, p. 7).

At the State Advisory Council meeting in January 1984, two related policy issues were raised for implementation during the 1984-85 program year. The first one concerned a modification to the section of the allocation formula in which the planned reduction of 6% to 4% for magnet schools was eliminated (6% was retained). Discussion among Advisory Council members and between them and SED staff was lengthy and heated at times. Some members felt that previous agreements were being violated without cause.

The second issue was the elimination of all competitive grant programs. Both changes were the result of a realignment of State tax levy funds administered by SED. The following statement was made to the SAC (Maurer, 1984):

> The draft recommendation to the Regents is based on current formula using updated enrollment figures and the 1983-84 allocation as our planning estimate. We continue to recommend use of the enrollment-based 6 percent set-aside for districts with concentrations of pupils experiencing racial isolation or undergoing school desegregation. By acting upon the local allocation formula for the 1983-84 school year, the Board decided to flow funds to districts which operate successful magnet schools for the purposes of overcoming racial isolation and promoting school desegregation through an enrollment based distribution. This approach was viewed by the Board as being more equitable and reflecting better the cost of providing services to magnet school students than the method used during the 1982-83 school year.
>
> The Department also recommends the phasing out of the competitive grants program supported by funds under the 20 percent portion. We make this recommendation reluctantly, based on the following factors:
>
> > We have been required by the Division of the Budget to transfer 25 positions from State to Federal funding. The cost of these positions is approximately $1.6 million. Because of the comprehensive nature of the Chapter 2 program, a significant portion of these transfers must take place within the seven major activities. Since many activities currently funded by Chapter 2 also receive State support, the transfers will result in Federal funding absorbing a larger share of the actual cost of providing these statewide services.
> >
> > The Governor's Budget specifically appropriates funds for a number of activities which up to now have been supported by the Chapter 2 competitive grants program. Among these are appropriations for inservice education, computers and learning technologies, library aid, magnet schools and others. A detailed analysis is included in Committee materials.
> >
> > The maintenance of the 6 percent magnet school set-aside provides additional support for the

> desegregation programs, thus compensating for the absence of a competitive grant program.
>
> The increasing cost of maintaining essential statewide services such as testing, the Resource Allocation Plan and others also requires that we retarget 20 percent dollars to activities whose effect is enhanced by their statewide impact.
>
> Finally, there is a need to refocus available resources toward the goals of the Regents Action Plan for Elementary and Secondary Education, specifically to Chapter 2 statewide services that strengthen local capabilities to achieve those goals. It is our recommendation to emphasize statewide services under Activity 3, "School Practice Improvement;" Activity 4, "Student Testing and Evaluation;" and Activity 5, "Curriculum Development."

Members of the State Advisory Council were skeptical over the rational to eliminate both the planned reduction to 4% in the allocation formula and the competitive grant programs in spite of the continuation of some programs with state funds. Nonpublic school representatives and several of the public school representatives felt their constituencies would lose services which had been directly provided, and that the provision of indirect services would not make up for the loss. Furthermore, these SAC members that these actions would supplant state funds, rather than supplement them. The loss of immediate control of the funds, and uncertain control over future funds was also of concern. SAC did not support the recommendation as stated, and maintained a stance that the retention of the competitive grant programs was important. When the Board of Regents accepted the recommendation of SED and rejected their recommendation, SAC members felt alienated, and that they were not really "advisory."

During the third year of Chapter 2 SAC developed a more active interest in the evaluation of the Chapter 2 program. Members were sent copies of the Final Program Report for School Year 1983-84 which was the first evaluation report required by the US Department of Education. At their initial meeting in January, 1985, a subcommittee was formed to review and comment upon the document. Selected comments from their report demonstrate their concern over the use of the State set-aside funds (Subcommittee, undated).

> The 1983-84 report discloses clearly that the State Education Department is putting Chapter 2 funds to work in carrying out state activities for the implementation of the Regents Action Plan. The Report indicates that some of the educational goals developed

by the recently approved Action Plan to Improve Elementary and Secondary Education in New York State have made use of Chapter 2 funds for implementation. We take the viewpoint that the Action Plan should be funded with state monies. This would permit greater dissemination of the Chapter 2 funds for other uses directly authorized by Chapter 2 to the LEA's . Justification is requested as to the use of monies to fund or administer the program at the state level.

Our reasoning is that the Action Plan is a state initiative and should be funded from the state's general revenues in order to maximize the benefit of the quite limited federal dollars. Clarification [orally corrected to justification at the presentation of the report] is requested as to the use of the Chapter 2 monies to fund or administer the Action Plan at the state level. . . .

We do not believe it is appropriate to use Chapter 2 monies to further the Regents Action Plan, on the grounds that it may be an objectionable form of supplanting.

While we are hesitant to belabor the point, the inclusion of the section "Activity 4 - "Statewide Student Testing and Evaluation Services" within expenditures funded with Chapter 2 monies does generate some concern. It is our understanding that, oftentime, prepared examinations, and established achievement standards through the Regents exams and other testing devices and that the impetus for additional testing has come, first, from the Board of Regents to maintain minimum competency levels and, second, more recently by adoption of the Regents Action Plan. We suggest, reluctantly, that these activities would have been fully funded even if there had been no Chapter 2 dollars to be used for them.

The committee report was much longer and called for a clarification of several items within the Final Program Report. The tenor of the comments, without being explicit, was that several activities supported with Chapter 2 funds should have been supported with State funds instead. The subcommittee chairman requested that the subcommittee report be submitted to the US Department of Education as an accompanying document to the Final Program Report for School Year 1983-84.

Two issues seem to be relevant to policy analysis: "Who has the decision making authority?" and "Are expenditures for new activities conducted by entrenched individuals supplanting?". The Board of Regents has been given statutory authority by the

State legislature to make policy for all facets of education in New York State, and the authorizing legislation for Chapter 2 does nothing to change that authority. Although an Advisory Committee is required by the legislation, its recommendations are only one source of information which the Board of Regents must consider when establishing State policy. To do otherwise would fragment programs that have previously been coordinated to achieve statewide goals. While one may question the wisdom of the decisions of the Board of Regents with respect to Chapter 2, they have been made within the framework of Chapter 2 legislation.

The other question does not have a clear cut answer. ESEA Title V "Strengthening State Education Departments" provided ways in which SED could pursue activities not funded by state revenues. In many instances the activities initiated under Federal funding were continued under State funding, and other activities initiated with the same funds. During the first two years Chapter 2 funds had been used, in part, for grants to LEAs. When the grant programs were eliminated, the state argued that the same services were supported with state funds , and at least at the same levels, which freed up the individuals conducting those activities to do other activities. The SAC argument attempted to change the focus from "activities to be funded" to "people to be funded," and since the activities within the program areas were not those chosen by SAC, the feeling was that the new activities still represented supplanting. The unresolved question remains "To what degree must activities be dissimilar, before supplanting ceases to be the case, if the first activity is State funded and the second activity is Federally funded?".

At the same State Advisory Committee meeting, discussion was again raised about the magnet school funding. Documentation that $11,700,000 was in the State budget for the magnet schools to support desegregation related activities, and that a new Federal grant program for magnet schools was in the works did nothing to dissuade members from their resentment concerning the loss of competitive grants.

Despite the reluctance of the State Advisory Council to approve the new three-year State Plan as drafted, the Board of Regents adopted the Plan and forwarded it to the US Department of Education. The plan contained the same priorities and program descriptions as in previously years, and it was approved by the US Department of Education without modification.

During the 1984-85 program year, the Federal government instituted the practice of single district audits for compliance with fiscal regulations. A sample of LEAs was chosen for auditing by local accounting firms. At the LEA all Federally funded programs were audited at one time. While each of the CPAs has attended a one-day training session, the amount of time given

to Chapter 2 regulations was minimal to non-existant. Consequently the audits have focused on very superficial issues; not the issues which would link expenditures to program activities approved by SED. When the auditors do find a problem with their Chapter 2 program, SED must follow-up to be sure the problem is corrected.

Two personnel considerations surfaced following the ECIA Chapter 1 decision of the Supreme Court in 1985 which determined that public school teachers may not deliver services to nonpublic school children on property owned by religiously affiliated schools. Several NYS school districts had been providing similar services to nonpublic schools under ECIA Chapter 2. The interpretation of the decision within SED was that the court decision did not apply to programs other than Chapter 1, and that SED could not prevent Chapter 2 services from being applied in a similar manner. However, this interpretation was delayed beyond the point of request by some school districts, who were advised to change the method of delivering services, or to change the services delivered.

The second personnel decision concerned the use of substitute teachers in the nonpublic schools. During the first three years of the program, the SED interpretation of Education Division General Administration Regulations (EDGAR) was that the public schools could not pay nonpublic schools a reimbursement for substitute teachers; stipends could be paid to nonpublic school teachers, who could then pay for the substitute teacher. This current year the interpretation of EDGAR changed to allow the public school to pay the nonpublic school substitute teacher directly, but the substitute then becomes an employee of the public school district and must be paid at the rate the public school normally uses for its own substitute teachers. It would appear that this arrangement would be covered by the Chapter 1 court decision if the interpretation of the decision were to be broadened to other programs.

The State Advisory Committee met in January, 1986 to discuss the Plan for the 1986-87 Program year. Again several options for changing the funding to magnet schools as a part of the local assistance formula was considered, but the final decision was to keep the level at 6% which had been used the preceding three years. Other discussion concerned the use of the 20% set-aside, but SAC did not pursue their objections to its use as vigorously as the preceding year.

In November of 1985, the Steering Committee of SAC had recommended an addition to the annual evaluation forms used with the local assistance program. Questions to local districts relating to their satisfaction with the Federal efforts to reduce paperwork, level of technical assistance by SED, new consultation requirements, and whether Chapter 2 funds had been helpful and

important in developing new programs or supplementing existing programs. The full Advisory Committee approved the draft additions for use in evaluating the 1985-86 programs.

Implementation of ECIA Chapter 2 in New York State has been relatively smooth during its four years of existence. The high degree of experience within the group of project officers for both local assistance and competitive grants has resulted in few problems with the grant process. Document preparation has been efficiently performed, although minor changes in each have been required each year. Decisions have generally been made with advice of those who are affected by them. The major point of contention has been between the State Advisory Council and SED policymakers. State funds have been applied to many programs initially funded through Chapter 2, which has freed money for other uses.

Local assistance funds have been used in a rather stable fashion during the three year period for which data have been collected and reported. Each year data were compiled from approximately 56% of the applicants for summary in the Final Program Reports submitted to the US Department of Education. Expenditures ranged from 14% to 16% for Subchapter A programs "Basic Skills Development," from 66% to 76% for Subchapter B programs "Educational Improvement and Support Services," and from 5% to 8% for Subchapter C programs "Special Projects." Due to the overlapping purposes of some of the antecedent programs, the assignment of some expenditures to subchapters was arbitrary, although the same rules were used all three years. Remedial reading was consistently the most popular Subchapter A program, with remedial mathematics close behind. Computer literacy and programming was the most popular Subchapter B program, with desegregation activities in second place (two large city districts under court ordered desegregation used all of their local assistance money for desegregation), but programs in reading, mathematics, and acquisition of library materials were also very popular. Within Subchapter C programs, Arts in Education and programs for gifted and talented students were the most popular. Every program area option on the application forms has been selected by some school district each year for spending its money.

The Chapter 2 local assistance funds have met the criteria for flexibility in local decision making, and no district has filed more paperwork than for antecedent programs. The large majority of the 735 districts in New York State had participated in some form of competitive grant program during the preceding several years, and many had participated in several (or in the same one several times) in a single year. While it may be concluded that ECIA Chapter 2 is a valued program at the current funding level, severe reductions in funding will probably be seen as destroying the program. The real test will come when the

reauthorizing legislation comes up before Congress in 1987. Will it ride on the coattails of Chapter 1, or will it survive on its own?

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